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**ASSESSOR  
FOURTH MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**FINANCIAL STATEMENTS AND AUDITOR'S REPORT**

**March 31, 2000**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 08-16-00

**ASSESSOR  
FOURTH MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**TABLE OF CONTENTS**

INDEPENDENT AUDITOR'S REPORT	<b>Page</b> 3
GENERAL PURPOSE FINANCIAL STATEMENTS	
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS	4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND	5
NOTES TO FINANCIAL STATEMENTS	6
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT</i> <i>AUDITING STANDARDS</i>	11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	13
CORRECTIVE ACTION PLAN	14

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**INDEPENDENT AUDITOR'S REPORT**

Assessor  
Fourth Municipal District  
Parish of Orleans

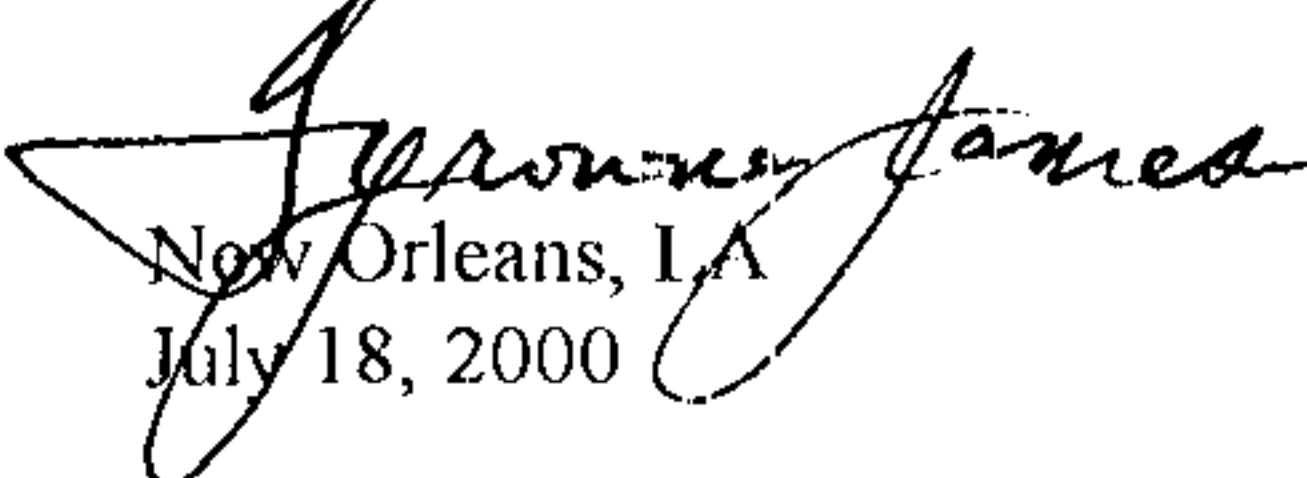
I have audited the accompanying general-purpose financial statements of the Assessor, Fourth Municipal District, Parish of Orleans, as of March 31, 2000, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Assessor, Fourth Municipal District, Parish of Orleans. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with general accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Assessor, Fourth Municipal District, Parish of Orleans, as of March 31, 2000, and results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated July 18, 2000, on my consideration of the Assessor, Fourth Municipal District, Parish of Orleans' internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Tyronne James, CPA

  
New Orleans, LA  
July 18, 2000

Member: *American Institute of Certified Public Accountants*  
*Society of Louisiana Certified Public Accountants*

**ASSESSOR  
FOURTH MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**COMBINED BALANCE SHEET-  
ALL FUND TYPES AND ACCOUNT GROUPS**

March 31, 2000

	<u>GOVERNMENTAL FUND TYPE GENERAL FUND</u>	<u>ACCOUNT GROUP FIXED ASSETS</u>	<u>TOTAL (MEMORANDUM ONLY) 2000</u>	<u>1999</u>
<b>ASSETS</b>				
Cash	\$ 49,557	\$ -	\$ 49,557	\$ 35,129
Fixed assets (Notes A4 and B)	-	14,601	14,601	10,274
Total assets	\$ <u>49,557</u>	\$ <u>14,601</u>	\$ <u>64,158</u>	\$ <u>45,403</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities</b>				
Accounts payable	\$ 149	\$ -	\$ 149	\$ 3,939
Payroll taxes payable	-	-	-	223
Total liabilities	149	-	149	4,162
<b>Fund Equity</b>				
Investment in general fixed assets	-	14,601	14,601	10,274
Fund balance - undesignated	49,408	-	49,408	30,967
Total fund equity	49,408	14,601	64,009	41,241
Total liabilities and fund equity	\$ <u>49,557</u>	\$ <u>14,601</u>	\$ <u>64,158</u>	\$ <u>45,403</u>

The accompanying notes are an integral part of this statement.

**ASSESSOR  
FOURTH MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-  
BUDGET TO ACTUAL-  
GENERAL FUND**

**For the year ended March 31, 2000**

	<b><u>BUDGET</u></b>	<b><u>ACTUAL</u></b>	<b><u>VARIANCE FAVORABLE &lt;UNFAVORABLE&gt;</u></b>
<b>Revenues</b>			
Intergovernmental revenue			
Board of assessors allotment	\$ 115,000	\$ 80,767	\$ (34,233)
Revenue sharing	-	9,487	9,487
Document transfer tax	-	34,164	34,164
Total revenues	115,000	124,418	9,418
<b>Expenditures</b>			
Personnel services and related benefits	65,000	60,651	4,349
Operating expenses	39,450	41,233	(1,783)
Miscellaneous	5,000	4,093	907
Total expenditures	109,450	105,977	3,473
Excess of revenues over expenditures	5,550	18,441	12,891
Fund balance, beginning of year	30,967	30,967	-
Fund balance, end of year	<u>\$ 36,517</u>	<u>\$ 49,408</u>	<u>\$ 12,891</u>

The accompanying notes are an integral part this statement.

**ASSESSOR  
FOURTH MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2000**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Reporting Entity**

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, there shall be seven assessors in New Orleans, who shall compose the Board of Assessors for Orleans Parish. One shall be elected from each municipal district of New Orleans, and each shall be a resident of the district from which she is elected. The assessor shall be elected at the same time as the municipal officers of New Orleans, for terms of four years each. In the event a vacancy occurs in any one of the seven assessors' office, the Board of Assessors shall appoint an interim assessor for the unexpired term.

The assessor assesses all real and moveable property in her municipal district subject to ad valorem taxation. The assessor is authorized to appoint as many deputies as may be necessary for taxpayers in her district. The deputies are authorized to perform all functions of the office, but the assessor is officially and pecuniarily responsible for the actions of the deputies.

For financial reporting purposes, the assessor includes all funds, account groups, activities, et cetera, that are controlled by the assessor as an independently elected parish official. The activities of other independently elected parish officials and municipal level government are not included within the accompanying financial statements as they are considered autonomous governments. These units of government issue financial statements separate from that of the parish assessors.

At March 31, 2000, there are real property assessments totaling \$55,467,792 and personal property assessments totaling \$7,775,356.

**2. Basis of Presentation**

The accompanying financial statements of the Assessor, Fourth Municipal District, Parish of Orleans, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**3. Fund Accounting**

The accounts of the Assessor, Fourth Municipal District, Parish of Orleans, are organized on the basis of a fund and an account group to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources. The fund presented in the financial statements is described as follows:

**General Fund**

The General Fund, as provided by Louisiana Revised Statute 47:1906, is classified as a governmental fund, and is the principal operating fund of the Assessor, Fourth Municipal District, Parish of Orleans, and accounts



**ASSESSOR  
FOURTH MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - Continued**

**March 31, 2000**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

for all financial resources. Revenues are accounted for in this individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Compensation received from the various taxing bodies, prescribed by formula in Louisiana Revised Statutes 47:1907-1908 is accounted for in the fund. General operating expenditures are paid from this fund.

**4. Fixed Assets**

Equipment used in government fund type operations is accounted for in the General Fixed Assets Account Group, rather than in a governmental fund. These assets are recorded as expenditures in the governmental fund type when purchased. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

**5. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement of the General Fund presents increases and decreases in net current assets. The accrual basis of accounting is used by the General Fund.

Expenditures are generally recognized under the accrual basis of accounting when the related fund liability is incurred.

**6. Budget and Budgetary Accounting**

The Board of Assessors, Parish of Orleans, legally adopts an annual budget, which authorizes the annual appropriation of the Assessor's office. The budgetary practices include public notice, participation and inspection. Additionally, the Board of Assessors' budget authorizes supplementary appropriations during the year to the Assessor, Fourth Municipal District, Parish of Orleans. Since the Board of Assessors legally adopts a budget, the Assessor, Fourth Municipal District, Parish of Orleans, is not required to follow the legal budgetary practices of public notice, participation and inspection.

The annual budget prepared by the Assessor, Fourth Municipal District, Parish of Orleans, is on a basis consistent with generally accepted accounting principles. The budget is prepared by function. Revenues are estimated and expenditures of prior years are considered when preparing the budget for the current year.

The budget is submitted to the Board of Assessors. Revenues to operate the office of the Assessor, Fourth Municipal District, Parish of Orleans, and any supplementary appropriations during the year are derived from a dedicated millage rate which is collected and allocated by the Board of Assessors based on the Board of Assessors legally adopted budget, and from a document transfer tax levied on each real estate transfer in the district. The budget is available for public inspection at the Assessor's office.

**ASSESSOR  
FOURTH MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - Continued**

**March 31, 2000**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**7. Assessor's Salary and Personal Allowance**

The salary of each Assessor in the Parish of Orleans is paid by the Board of Assessors, Parish of Orleans, and therefore is not included in the accompanying financial statements. In addition to her annual salary, the Assessor, Fourth Municipal District, Parish of Orleans, is granted ten percent (10%) of her annual compensation as a personal expenditure allowance provided that the tax receipts of the respective tax recipient bodies shall not be reduced. The amount of personnel expenditures incurred by the Assessor, Fourth Municipal District, Parish of Orleans, is included in the accompanying General-Purpose Financial Statements.

**8. Total Columns of Combined Statements - Overview**

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**9. Vacation and Sick Leave**

Each employee, after one year of service, is entitled to two weeks vacation. There is no provision for the accumulating or vesting of vacation time. The Assessor does not have a formal sick leave policy.

**10. Cash and Cash Equivalents**

Cash and cash equivalents include cash and deposits with original maturities of 90 days or less. Under state law, the Assessor may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana and may invest in United States bonds, bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days. At March 31, 2000, the cash on deposit in financial institutions were adequately secured by federal deposit insurance.

**NOTE B - GENERAL FIXED ASSETS - ACCOUNT GROUP**

A summary of changes in general fixed assets follows:

	<u>04/01/99</u>	<u>Additions</u>	<u>03/31/00</u>
Furniture and equipment	\$ 10,274	\$ 4,327	\$14,601

**NOTE C - PENSION PLAN**

All full-time employees of the Assessor, Fourth Municipal District, Parish of Orleans, are members of the Louisiana Assessor's Retirement System. In addition to employee payroll deductions, a portion of the Board's allotment is remitted to the retirement system.



**ASSESSOR  
FOURTH MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - Continued**

**March 31, 2000**

**NOTE C - PENSION PLAN - Continued**

*The retirement system is a state-wide defined benefit multiple employer public retirement system. The system is administered and controlled by a separate board of trustees, with contribution rates approved by the Louisiana Legislature. Contributions of participants and the Board's allotment are pooled within the system to fund accrued benefits. The Assessor, Fourth Municipal District, Parish of Orleans does not guarantee the benefits granted by the retire system.*

Following is a summary of the Louisiana Assessors Retirement Fund for the most recent valuation date, which was September 30, 1999:

Actuarial Value of Plan Assets	<u>\$ 99,540,025</u>
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Unfunded Pension Benefit Obligation	<u>\$ 33,878,583</u>
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1) Amount of the Assessor, Fourth Municipal District, Parish of Orleans, Current Year Covered Payroll	<u>\$ 50,961</u>
---	------------------

Amount of the Assessor, Fourth Municipal District, Parish of Orleans, Current Year Total Payroll	<u>\$ 54,294</u>
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2) All full time employees of the Assessor, Fourth Municipal District, Parish of Orleans, are members of the Retirement system.

Retirement benefits are computed based on the highest thirty-six (36) consecutive or joined months of salary.

A participant may retire after twelve (12) years of creditable service and 55 years of age or older, or at age 50 with 30 years creditable service.

3) The Louisiana Assessor's Retirement Fund was created by provision of Act 91 of the 1950 Legislature, as amended, up to and including Act 256 of 1986 and required the following provisions:

The Assessor, Fourth Municipal District, Parish of Orleans, is required to contribute 5.75% of covered payroll which shall be remitted to the Louisiana Assessor's Retirement Fund.

The Assessor, Fourth Municipal District, Parish of Orleans, is required to deduct 7% from the salaries of the full-time employees, which shall be remitted to the Louisiana Assessor's Retirement Fund.

4) Employee actual contributions	\$ 3,567
Employer actual contributions	<u>2,930</u>
Total Contributions	<u>\$ 6,497</u>

The contributions are 12.75% of the total covered payroll.

**ASSESSOR  
FOURTH MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - Continued**

**March 31, 2000**

**NOTE C - PENSION PLAN - Continued**

- 5) The Louisiana Assessor's Retirement System, a cost-sharing multiple-employer plan, does not conduct separate measurements of assets and pension benefit obligations for individual employers. Also, membership data is not available by individual employer. The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of future pension benefits for the state-wide plan:

Active Members	\$ 124,503,429
Retirees, beneficiaries and terminated employees	<u>52,201,966</u>
Total pension benefit obligation	<u>\$176,705,395</u>
Total net assets available for benefits	<u>\$101,426,239</u>

- 7) The historical trend information shall be included in the separately issued Louisiana Assessor's Retirement Fund annual report.

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Assessor  
Fourth Municipal District  
Parish of Orleans

I have audited the general-purpose financial statements of the Assessor, Fourth Municipal District, Parish of Orleans, as of and for the year ended March 31, 2000, and have issued my report thereon dated July 18, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Assessor, Fourth Municipal District, Parish of Orleans' financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and according, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Audit Standards*.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the Assessor, Fourth Municipal District, Parish of Orleans' internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the Assessor, Fourth Municipal District, Parish of Orleans' ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as Item 2000-1.

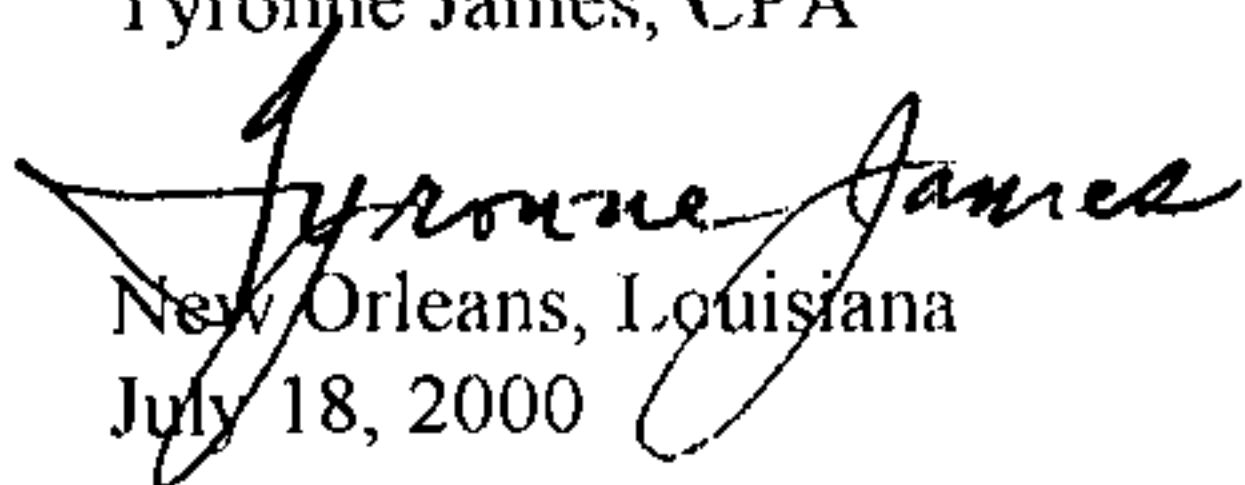
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Society of Louisiana Certified Public Accountants*

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur

and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also material weaknesses. However, of the reportable conditions described above, I consider Item 2000-1 to be a material weakness.

This report is intended for the information of management and the Legislative Auditor. However, this report is a matter of public record and its distributed is not limited.

Tyronne James, CPA

  
New Orleans, Louisiana  
July 18, 2000

**ASSESSOR  
FOURTH MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the year ended March 31, 2000**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general-purpose financial statements of the Assessor, Fourth Municipal District, Parish of Orleans.
2. One reportable condition disclosed during the audit of the general-purpose financial statements is reported in the "Report on Compliance and On Internal Control Over Financial Reporting Based on An Audit of Financial Statements Performed in Accordance with Government Auditing Standards." The condition is reported as a material weakness.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT MATERIAL WEAKNESS**

**2000.1**

Condition:	The size of the Assessor's operation is too small to have an adequate segregation of duties and other features of adequate internal controls.
Criteria:	An adequate segregation of duties is necessary for an adequate system of internal control.
Effect:	Without an adequate segregation of duties, management exposes itself to the risk of an inadequate system of internal control.
Recommendation:	The Assessor should continue its significant involvement in the financial affairs of the entity through review of monthly financial reports.
Response:	Management has decided that to employ such controls would not be cost effective.

**C. PRIOR YEAR AUDIT FINDINGS**

No prior year audit findings.



**ASSESSOR  
FOURTH MUNICIPAL DISTRICT  
PARISH OF ORLEANS**

**CORRECTIVE ACTION PLAN**

**March 31, 2000**

**Segregation of Duties**

Management has decided that to employ such controls would not be cost-effective.